

VZCZCXRO7336
PP RUEHLMC
DE RUEHMU #1183/01 2632303
ZNY CCCCC ZZH
P 192303Z SEP 08 ZDK
FM AMEMBASSY MANAGUA
TO RUEHC/SECSTATE WASHDC PRIORITY 3181
INFO RUEHZA/WHA CENTRAL AMERICAN COLLECTIVE PRIORITY
RUMIAAA/CDR USSOUTHCOM MIAMI FL PRIORITY
RUEAIIA/CIA WASHDC PRIORITY
RHEFDIA/DIA WASHINGTON DC PRIORITY
RUEHLMC/MILLENNIUM CHALLENGE CORP WASHDC PRIORITY
RHEHNSC/NSC WASHINGTON DC PRIORITY

C O N F I D E N T I A L SECTION 01 OF 02 MANAGUA 001183

SIPDIS

STATE FOR WHA/CEN
STATE PASS USAID FOR LAC - CARDENAS
NSC FOR FISK/GARCIA

E.O. 12958: DECL: 09/17/2018
TAGS: [PREL](#) [PGOV](#) [KDEM](#) [PHUM](#) [NU](#)
SUBJECT: AMBASSADOR MEETS WITH FM SANTOS -- PROPERTY, CIVIL
SOCIETY AND MANPADS

REF: A. MANAGUA 1118
[B](#). MANAGUA 1151
[C](#). MANAGUA 1153

Classified By: Ambassador Robert J. Callahan Reasons 1.4 (b and d)

[1](#). (C) Summary. In a courtesy call on Foreign Minister Samuel Santos on September 11, Ambassador Callahan urged the Nicaraguan government to make further progress on resolving property claims, especially those under the control of the government and armed forces. Santos gave assurances that cooperation would continue while contending that a "new order" was in place to prevent abuses in the settlement of claims, as had happened under previous governments. Ambassador raised concern about the increasingly negative public attacks on civil society, and especially on U.S.-funded NGOs, noting that our activities are in full compliance with U.S. and Nicaraguan law and are consistent with democracy activities worldwide. Santos pushed back, accusing unspecified groups of violating the law, seeking to cause a rupture in U.S.-Nicaraguan relations, and of not being honest with the funds and with their political goals. He asserted that the GON is engaged in an effort to ensure "full compliance" with the electoral law and regulations governing NGOs. On Nicaragua's man-portable air defense systems (MANPADS), Ambassador reiterated that our offer remains on the table and that we hope to receive a formal response from the government to the proposal. Santos pledged to raise it with President Daniel Ortega, who would be handling the issue personally. End Summary.

PROPERTY

[2](#). (C) Ambassador noted that in the first six months of the review period, the GON had made very little progress on resolving outstanding property issues. In the last six months, the GON had made positive efforts and Ambassador expressed the hope that this trend would continue. The issue of property continues to have the attention of the U.S. Congress and further progress, especially on properties held by the government and armed forces, will be necessary. Santos replied that the previous Liberal governments had demonstrated "exaggerated flexibility" in resolving cases, to the detriment of Nicaragua's national interests. The Ortega government, under Attorney General Estrada, had to use those first months to "establish order," review cases to determine the legitimacy of claims and focus on the issue of citizenship before further progress could be made. The previous government "abused the process," he asserted. Now that the system and cases were in order, progress could be

made and Santos gave assurances that regular meetings with the Embassy would continue to seek further progress on resolving cases.

USG DEMOCRACY PROGRAM AND NGOS

13. (C) Ambassador expressed deep concern over the GON's decision to seek criminal and administrative charges against the International Republican Institute (IRI) and the unfounded public attacks in official media by senior GON officials against USG-funded democracy activities in Nicaragua (refs a and b). Ambassador emphasized that USG-funded democracy activities in Nicaragua are transparent, in full compliance with both U.S. and Nicaraguan law, and are consistent with activities that we fund around the world. Furthermore, Ambassador cautioned Santos that the closure of IRI, the National Democratic Institute, or other prominent NGOs would have the potential to create serious problems for Nicaragua, especially with the U.S. Congress. In addition, the campaign of discrediting Nicaraguan civil society leaders and, in particular the accusations that they are agents of the USG, was particularly worrisome. The rise in anti-democratic rhetoric as well as the recent recognition of South Ossetia and Abkhazia (ref c) could have a negative effect on many areas where we are seeking cooperation, including on U.S. private sector investment.

14. (C) Santos was unusually combative and defensive of the GON's attacks on democratic NGOs in his response. Santos emphasized that all these activities need to be in strict compliance with the law and the GON was engaged in a "process to make sure laws are complied with. There was too much flexibility in the past." While many of the activities funded by USAID and other parts of the USG are very organized and transparent, some programs "do and say things that are not allowed." IRI, for example, has engaged in activities that "border on the edge of the law" and has interfered in the internal political process. Furthermore, the USG and its NGOs would need to be sure that the work they do is very careful, that they obey all the laws, and that they account for the work they do and the funds they receive to the proper Nicaraguan authorities.

15. (C) Santos accused the U.S. and USG-funded NGOs of "excessive participation" in internal politics in the past. "They talked too much and made mistakes" in violation of Nicaraguan electoral laws. Now, he claimed, those same groups are interested in breaking relations between the U.S. and Nicaragua for their own personal and political reasons. He asserted further that these groups were interested in destabilizing the Nicaraguan government, which could not be permitted. Ambassador reaffirmed our view that USG-funded democracy activities were in keeping with U.S. and Nicaraguan law and renewed our commitment to work in as open a manner as possible, to discuss and share information and expressed the hope that both sides would avoid making public accusations without talking to each other first.

MANPADS

16. (C) Ambassador reiterated that the offer to provide Nicaragua with funding for healthcare and medical equipment in exchange for the destruction of Nicaragua's stockpile of MANPADS remained "on the table" and that we hoped to receive a formal reply from the GON. Santos replied that it was "unfortunate" that the details of the proposal had been leaked to the press (Note: Santos ignored the fact that it was Ortega who publicly stated the key elements of the Nicaraguan proposal and U.S. counter-proposal. End Note.) Santos promised to talk personally with Ortega during their travel to the U.N. and that Ortega would "be looking at the proposal" personally.

CALLAHAN